

**TEXT OF SECTION 209 OF
THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 2002**

SEC. 209. SPECIAL REED ACT TRANSFER IN FISCAL YEAR 2002.

(a) REPEAL OF CERTAIN PROVISIONS ADDED BY THE BALANCED BUDGET ACT OF 1997.-

(1) IN GENERAL.- The following provisions of section 903 of the Social Security Act (42 U.S.C. 1103) are repealed:

(A) Paragraph (3) of subsection (a).

(B) The last sentence of subsection (c)(2).

(2) SAVINGS PROVISION.- Any amounts transferred before the date of enactment of this Act under the provision repealed by paragraph (1)(A) shall remain subject to section 903 of the Social Security Act, as last in effect before such date of enactment.

(b) SPECIAL TRANSFER IN FISCAL YEAR 2002.- Section 903 of the Social Security Act is amended by adding at the end the following:

Special Transfer in Fiscal Year 2002

(d)(1) The Secretary of the Treasury shall transfer (as of the date determined under paragraph (5)) from the Federal unemployment account to the account of each State in the Unemployment Trust Fund the amount determined with respect to such State under paragraph (2).

(2)(A) The amount to be transferred under this subsection to a State account shall (as determined by the Secretary of Labor and certified by such Secretary to the Secretary of the Treasury) be equal to--

(i) the amount which would have been required to have been transferred under this section to such account at the beginning of fiscal year 2002 if--

(I) section 209(a)(1) of the Temporary Extended Unemployment Compensation Act of 2002 had been enacted before the close of fiscal year 2001, and

(II) section 5402 of Public Law 105-33 (relating to increase in Federal unemployment account ceiling) had not been enacted,
minus

(ii) the amount which was in fact transferred under this section to such account at the beginning of fiscal year 2002.

(B) Notwithstanding the provisions of subparagraph (A)--

(i) the aggregate amount transferred to the States under this subsection may not exceed a total of \$8,000,000,000; and

(ii) all amounts determined under subparagraph (A) shall be reduced ratably, if and to the extent necessary in order to comply with the limitation under clause (i).

(3)(A) Except as provided in paragraph (4), amounts transferred to a State account pursuant to this subsection may be used only in the payment of cash benefits--

(i) to individuals with respect to their unemployment, and

- 2 -

(ii) which are allowable under subparagraph (B) or (C).

`(B)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable as--

`(I) regular compensation, or

`(II) additional compensation, upon the exhaustion of any temporary extended unemployment compensation (if such State has entered into an agreement under the Temporary Extended Unemployment Compensation Act of 2002), for individuals eligible for regular compensation under the unemployment compensation law of such State.

`(ii) Any additional compensation under clause (i) may not be taken into account for purposes of any determination relating to the amount of any extended compensation for which an individual might be eligible.

`(C)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable to 1 or more categories of individuals not otherwise eligible for regular compensation under the unemployment compensation law of such State, including those described in clause (iii).

`(ii) The benefits paid under this subparagraph to any individual may not, for any period of unemployment, exceed the maximum amount of regular compensation authorized under the unemployment compensation law of such State for that same period, plus any additional compensation (described in subparagraph (B)(i)) which could have been paid with respect to that amount.

`(iii) The categories of individuals described in this clause include the following:

`(I) Individuals who are seeking, or available for, only part-time (and not full-time) work.

`(II) Individuals who would be eligible for regular compensation under the unemployment compensation law of such State under an alternative base period.

`(D) Amounts transferred to a State account under this subsection may be used in the payment of cash benefits to individuals only for weeks of unemployment beginning after the date of enactment of this subsection.

`(4) Amounts transferred to a State account under this subsection may be used for the administration of its unemployment compensation law and public employment offices (including in connection with benefits described in paragraph (3) and any recipients thereof), subject to the same conditions as set forth in subsection (c)(2) (excluding subparagraph (B) thereof, and deeming the reference to `subsections (a) and (b)' in subparagraph (D) thereof to include this subsection).

`(5) Transfers under this subsection shall be made within 10 days after the date of enactment of this paragraph.'

(c) LIMITATIONS ON TRANSFERS.- Section 903(b) of the Social Security Act shall apply to transfers under section 903(d) of such Act (as amended by this section). For purposes of the preceding sentence, such section 903(b) shall be deemed to be amended as follows:

(1) By substituting `the transfer date described in subsection (d)(5)' for `October 1 of any fiscal year'.

- 3 -

(2) By substituting `remain in the Federal unemployment account' for `be transferred to the Federal unemployment account as of the beginning of such October 1'.

(3) By substituting `fiscal year 2002 (after the transfer date described in subsection (d)(5))' for `the fiscal year beginning on such October 1'.

(4) By substituting `under subsection (d)' for `as of October 1 of such fiscal year'.

(5) By substituting `(as of the close of fiscal year 2002)' for `(as of the close of such fiscal year)'.

(d) TECHNICAL AMENDMENTS.- (1) Sections 3304(a)(4)(B) and 3306(f)(2) of the Internal Revenue Code of 1986 are amended by inserting `or 903(d)(4)' before `of the Social Security Act'.

(2) Section 303(a)(5) of the Social Security Act is amended in the second proviso by inserting `or 903(d)(4)' after `903(c)(2)'.

(e) REGULATIONS.- The Secretary of Labor may prescribe any operating instructions or regulations necessary to carry out this section and the amendments made by this section.